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COMMONWEALTH OF VIRGINIA

**STATE CORPORATION COMMISSION**

AT RICHMOND, SEPTEMBER 4, 2001

APPLICATION OF

BARC ELECTRIC COOPERATIVE

CASE NO. PUE000232

For a revision of retail base  
rates, service charges, and  
terms and conditions for  
electric service

**ORDER GRANTING RECONSIDERATION FOR PURPOSE  
OF CONSIDERING ISSUES RAISED BY MOTION**

By Motion dated August 31, 2001 ("Motion"), BARC Electric Cooperative ("BARC" or "the Cooperative"), by counsel, requested the State Corporation Commission ("Commission") to reconsider its August 14, 2001, Final Order in the captioned matter. In support of its request, BARC alleged that the Commission accepted an increase in the Cooperative's revenue requirement of \$615,222, that, according to BARC, is higher than the increased revenue level initially requested by BARC. The Cooperative asserts that:

[b]ased on the increase in the adjusted revenue requirement approved by the Commission, and the fact that no party took issue with the proposed bundled rate design, the Cooperative was hopeful that setting the final rates would avoid the need for refunds, thereby saving the Cooperative the associated expense and administrative burden. However, in the course of analyzing and structuring the rates to be put into

effect as a result of the Commission's order, using Staff's recommended rate determinants, and the adjusted revenue requirement and apportioning the approved rate increase to customer classes in the same relative percentages as originally proposed, BARC found what it believes are unexpected and unintended results.

August 31, 2001, Motion at 2-3.

The Cooperative contends that the interim rates based upon Staff's forward-looking methodology and Staff's billing determinants would produce an increase of \$601,694, or \$13,328 less than the authorized increase. According to the Cooperative, using the Staff's forward-looking methodology and the resulting present-valued billing determinants had the effect of changing the relationship between customer rate classes and the relative rates recovered from each class. According to BARC, changing the relative revenues by class but then attempting to apportion the rate increase according to BARC's proposed revenue apportionment accepted by Staff increased rates for certain classes slightly above interim rates and reduced rates for other classes slightly below interim rate levels. BARC claims these differences are retroactive. BARC asks the Commission to permit its interim rates to be made permanent or to allow BARC to adjust its residential rates to permit recovery of adjustment of \$.00035 per kWh in the second energy block of its residential rate, and to suspend the filing dates in the

final Order to allow the Cooperative to resolve these issues and make appropriate filings with the Commission.

NOW, UPON consideration of the Cooperative's August 31, 2001, Supplemental Motion for Reconsideration of the Final Order of BARC Electric Cooperative, the Commission is of the opinion and finds that reconsideration of the Final Order should be granted for the purposes of considering the issues raised by the August 31, 2001, Motion; that BARC should, no later than September 7, 2001, file with the Clerk of the Commission its analysis showing the impact on customer classes, as well as the movements to parity achieved for each such rate class, the times interest earned ratio ("TIER"), and return on rate base provided for each customer class for rates filed in conformity with the Commission's August 14, 2001, Final Order; that BARC should file no later than September 7, 2001, with the Clerk of the Commission the rates and associated schedules indicating the impact on BARC's customer classes of rates using an adjustment of \$0.00035 per kWh discussed in the Cooperative's rate filing, as well as the movements to parity achieved for each such rate class, the TIER, and return on rate base provided for each customer class for these rates; and that the filing deadlines set out in the August 14, 2001, Final Order are suspended during the pendency of the reconsideration of these issues.

Accordingly, IT IS ORDERED THAT:

(1) BARC's Supplemental Motion for Reconsideration of the Final Order of BARC Electric Cooperative is hereby granted for purposes of considering the issues raised therein.

(2) On or before September 7, 2001, BARC shall file with the Clerk of the Commission its analysis showing the rates and impact on customer classes of rates filed in conformity with the Commission's August 14, 2001, Final Order, as well as the movements to parity achieved for each such rate class, the TIER, and return on rate base provided for each customer class for these rates.

(3) BARC shall file with the Clerk of the Commission on or before September 7, 2001, the rates and schedules indicating the impact on BARC's customer classes of rates using the adjustment of \$0.00035 per kWh discussed in the Cooperative's August 31, 2001, Motion, as well as the movements to parity achieved for each rate class, TIER, and return on rate base provided for each customer class for these rates.

(4) The filing deadlines set out in the August 14, 2001, Final Order are suspended during the pendency of the reconsideration of these issues.